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ABSTRACT

As a result of a call by Texas agencies for demonstration programs in regional planning to assist economic development by educating the work force, three models were funded in December 1987, with plans to continue operating through June 30, 1989. One of the projects is being conducted by the Upper Rio Grande Private Industry Council in El Paso for six counties. A second project is being jointly conducted by the Region 20 Education Service Center and the Alamo Private Industry Council in San Antonio for three counties. A third project is being conducted by Northeast Texas Community College in Mount Pleasant for nine counties, and a fourth project is being voluntarily conducted by Interlink in the Dallas-Fort Worth area. The sponsoring state agencies learned from these projects that there are three essential prerequisites for successful regional planning: (1) planning regions must be based upon labor market boundaries, and each region must develop a system to collect and analyze occupational supply and demand data; (2) regional planning committees must be representative of a wide spectrum of public and private interests, must have adequate time, and must have staff support; and (3) occupational education and training programs should be based upon current and projected job openings in the labor market. The study concluded that regional planning activities should be designed to build a partnership between education, business, and industry that is based upon their mutual need to train a skilled and educated work force for current and emerging occupations. A map and a list of project directors are appended. (KC)

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DEVELOPING A SKILLED AND EDUCATED WORKFORCE THROUGH REGIONAL PLANNING

STATUS REPORT OF PROJECTS
SPONSORED BY
THE TEXAS DEPARTMENT OF COMMERCE,
THE TEXAS HIGHER EDUCATION COORDINATING BOARD,
AND THE TEXAS EDUCATION AGENCY

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NOVEMBER 16, 1988

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DEVELOPING A SKILLED AND EDUCATED WORKFORCE THROUGH REGIONAL PLANNING

Status Report of Projects Sponsored by

Texas Department of Commerce
Texas Higher Education Coordinating Board
Texas Education Agency

November 16, 1988

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DEVELOPING A SKILLED AND EDUCATED WORKFORCE THROUGH REGIONAL PLANNING

EXECUTIVE SUMMARY

In September 1987 the Texas Education Agency, the Texas Higher Education Coordinating Board, and the Texas Department of Commerce issued a joint Request for Applications in accordance with the Master Plan for Vocational Education to conduct broad-based regional planning projects in three separate labor market areas of the state. These projects were to be designed to serve as models for the future statewide implementation of regional planning. The three projects began their planning activities in December 1987 and will continue operating through June 30, 1989.

The purpose of regional planning is to enhance economic development in Texas through the management of educational and training activities that extend beyond the boundaries of a particular training entity, e.g., school district, community college district, or Job Training Partnership Act service delivery area. Effective regional planning will link education and training with the regional needs of business and industry. As a result of regional planning, programs can be planned and implemented in a complementary manner which makes training available without unnecessary duplication. The ultimate goal is to increase the efficiency and cost-effectiveness of matching and delivering training with jobs that are and will be available.

One project is being conducted by the Upper Rio Grande Private Industry Council in El Paso for the six counties of the Upper Rio Grande Service Delivery Area. A second project is being jointly conducted by the Region 20 Education Service Center and the Alamo Private Industry Council in San Antonio for the three counties of the San Antonio Metropolitan Statistical Area. A third project is being conducted by Northeast Texas Community College in Mt. Pleasant for the nine counties of the Northeast Texas Service Delivery Area. A fourth project, which did not receive initial funding from the three state agencies, is being conducted voluntarily by *Interlink*, a group of public and private

sector entities, for the nine counties of the Dallas-Fort Worth Consolidated Metropolitan Statistical Area.

The sponsoring state agencies learned from these projects that there are **three essential prerequisites** for successful regional planning.

- *Planning regions must be based upon labor market boundaries, and each region must develop a system to collect and analyze occupational supply and demand data.*

- *Regional planning committees must be representative of a wide spectrum of public and private interests, must be given adequate time to learn their roles and to be perceived as legitimate within their regions, and must be given proper staff support to assume leadership in the planning process.*

- *Occupational education and training programs should be based upon current and projected job openings in the labor market. Labor market information must be based not only upon occupations in demand, but also upon the skills required for performance in those occupations. Bridging the gap between business, industry, and education will only be successful when the skills demanded by business and industry are matched by the skills of individuals who are educated and trained at Texas' educational institutions.*

Regional planning activities should be designed to build a partnership between education, business, and industry that is based upon their mutual need to train a skilled and educated workforce for current and emerging occupations.

This status report has been prepared for the public policy symposium "Developing a Skilled and Educated Workforce Through Regional Planning." The symposium will bring together representatives from the private and public sectors to discuss issues related to economic development in Texas and to encourage initiatives linking occupational education and training with the future needs of business and industry. This report summarizes what has been learned from the regional planning pilot projects as of November 1988.

DEVELOPING A SKILLED AND EDUCATED WORKFORCE THROUGH REGIONAL PLANNING

THE NEED FOR REGIONAL PLANNING

Our nation's economy is constantly changing, but the economic development of the United States since the turn of the century has followed a pattern in which agricultural production shifted to manufacturing and then to services, which today comprise more than three-fifths of production. The Texas economy, with its recent downward shifts in the oil and agriculture industries, is following this national pattern. Reflecting these economic changes, new jobs are growing fastest in the professional, technical, and sales categories. Also reflecting these changes, new jobs demanding employees with higher educational levels will increase, while new jobs needing less skilled workers will decrease. By the year 2000, a majority of all new jobs will require education beyond high school.

Providers of occupational education and training programs must respond to these changes, as well as to the challenges of new technology and demographic shifts in the workforce. Planning efforts must attempt to match the skills that workers bring to the job and the skills that employers require of those workers. **To meet student needs and the needs of business and industry, occupational education and training programs must be based upon current and projected job openings in the labor market.**

The importance of these planning efforts to economic development should be clearly understood. The authors of the Hudson Institute report Workforce 2000: Work and Workers for the Twenty-first Century conclude that human capital --- knowledge, skills, organization, and leadership --- is the key to economic growth and competitiveness.

> *Education and training are the primary systems by which the human capital of a nation is preserved and increased. The speed and efficiency with which these*

> *education systems transmit knowledge govern the rate at which human capital can be developed. Even more than such closely-watched indicators as the rate of investment in plant and equipment, human capital formation plays a direct role in how fast the economy can grow. (Johnston and Parker, 1987, p. 116)*

Education and training systems must transmit knowledge through programs that are based upon the current and projected needs of the labor market, i.e., the demand for jobs today, as well as in the future.

The importance of regional planning is underscored by the 1988 Report and Recommendations of the Governor's Task Force on Vocational Education. The report concludes that Texas has a largely disjointed delivery system for vocational education, with each training entity pursuing its own objectives that may not correspond to the needs of the region or the state. The report recommends that the actions defined in the Master Plan for Vocational Education to identify planning regions should be aggressively pursued. The report also recommends that the state should be organized into regions based on labor markets to establish priorities for vocational education.

THE CALL TO ACTION

Programs that address the need to supply a flexible, educated workforce must be offered only after careful consideration has been given to local, regional, and state needs. Labor markets extend beyond the boundaries of independent school districts and postsecondary institutions. The Master Plan for Vocational Education, approved by the Texas Higher Education Coordinating Board in October 1986 and by the State Board of Education in January 1987, was developed in part to address this issue.

Part III of the Master Plan specifies that the State shall implement a regional planning structure for delivering occupational education and training programs, services, and activities. According to the Master Plan, regional planning will

form the middle link in a three-tiered planning system that will include broad-based, statewide planning and local planning and implementation.

The purpose of regional planning is to enhance economic development in Texas through the management of educational and training activities that extend beyond the boundaries of a particular training entity, e.g., school district, community college district, or Job Training Partnership Act service delivery area.

Effective regional planning will link education and training with the regional needs of business and industry. As a result of regional planning, programs can be planned and implemented in a complementary manner which makes training available without unnecessary duplication. The ultimate goal is to increase the efficiency and cost-effectiveness of matching and delivering training with jobs that are and will be available.

The Master Plan calls for pilot projects to develop a regional planning structure which:

- *Establishes regional planning committees to coordinate education and training programs, services, and activities within a region;*

- *Provides incentives to promote communication and resource sharing among all service providers in a region; and*

- *Promotes sharing of ideas of effective methods to improve education and training in a region.*

The Master Plan also calls for recommendations, based on the results of the pilot projects, for necessary revisions to statutes, rules, and public policies that would implement regional planning statewide.

THE RESPONSE

In September 1987 the Texas Education Agency, the Texas Higher Education Coordinating Board, and the Texas Department of Commerce issued a joint Request for Applications to conduct broad-based regional planning projects in three separate labor market areas of the state. These projects were to serve as models for the future statewide implementation of regional planning. The projects were to establish forums within which independent school districts, postsecondary institutions, and private industry councils would plan programs based upon the demand occupations within a region. Authority for program approval would remain at the state and local levels.

The three state agencies determined that a high level of participation within a region would be a necessary prerequisite to ensure project success. To be eligible, each applicant was required to ensure the following levels of participation by entities within its project region:

- *All public community colleges, technical institutes, colleges, and universities;*
- *All private industry councils; and*
- *75 percent of all public independent school districts providing occupational education and training and 90 percent of all public independent school districts with at least 500 refined average daily attendance (ADA) that are providing occupational education and training.*

Three successcul applicants were each awarded initial funding of $150,000 in federal funds received under the Carl D. Perkins Vocational Education Act and the Job Training Partnership Act to conduct projects from December 15, 1987 through June 30, 1988. Each applicant obtained participation agreements from 100 percent of the public training entities within its region. These applicants were subsequently each awarded an additional $150,000 in federal funds to continue their planning activities through June 30, 1989.

One project is being conducted by the Upper Rio Grande Private Industry Council in El Paso for the six counties of the Upper Rio Grande Service Delivery Area. A second project is being jointly conducted by the Region 20 Education Service Center and the Alamo Private Industry Council in San Antonio for the three counties of the San Antonio Metropolitan Statistical Area. A third project is being conducted by Northeast Texas Community College in Mt. Pleasant for the nine counties of the Northeast Texas Service Delivery Area. A fourth project, which did not receive initial funding from the three state agencies, is being conducted voluntarily by *Interlink*, a group of public and private sector entities, in the nine counties of the Dallas-Fort Worth Consolidated Metropolitan Statistical Area. See Appendix A for a map showing the location of these project regions and Appendix B for a list of project directors.

THE FINDINGS

An independent, concurrent evaluation of the pilot projects is being conducted by Decision Information Resources, Inc., of Houston. Evaluation findings are being reported regularly to the three state agencies. In addition, staff from the state agencies make periodic on-site visits to consult with project staff.

The sponsoring state agencies learned that there are **three essential prerequisites** for successful regional planning.

- *Planning regions must be based upon labor market boundaries, and each region must develop a system to collect and analyze occupational supply and demand data.*

- *Regional planning committees must be representative of a wide spectrum of public and private interests, must be given adequate time to learn their roles and to be perceived as legitimate within their regions, and must be given proper staff support to assume leadership in the planning process.*

- *Occupational education and training programs should be based upon current and projected job openings in the labor market. Labor market information must be based not only upon occupations in demand, but also upon the skills required for performance in those occupations. Bridging the gap between business, industry, and education will only be successful when the skills demanded by business and industry are matched by the skills of individuals who are educated and trained at Texas' educational institutions.*

Regional planning activities should be designed to build a partnership between education, business, and industry that is based upon their mutual need to train a skilled and educated workforce for current and emerging occupations.

Findings from the pilot projects presented below address regional boundaries, regional planning committees, the use of labor market information in the planning process, the role of economic development in the planning process, and the effectiveness of the regional planning projects.

Regional Boundaries

The original Request for Applications to conduct the pilot projects specified that regional boundaries should coincide in whole or in part with a selected, established planning area such as one of the 34 Job Training Partnership Act service delivery areas (SDAs), the 24 state planning areas (SPAs), or the 28 metropolitan statistical areas (MSAs) in the state. The pilot projects selected two SDAs and two MSAs as their planning regions. Project experience has demonstrated that:

- *Use of SDA, SPA, or MSA regional boundaries is appropriate to the extent they reflect reasonable labor market boundaries and provide pre-existing labor market data for planning purposes;*

- *Large regional size creates some difficulties in travel and participation by entities from outlying areas of a region; and*

- *Differences in the labor market characteristics of urban and rural counties within a region create communication and service planning difficulties that must be addressed.*

Regional Planning Committees

Each pilot project formed a regional planning committee comprised of 50 percent public sector representatives (independent school districts, education service centers, community colleges, technical institutes, colleges, universities, and private industry councils) and 50 percent private sector representatives (business, industry, and labor). Each committee was expected to provide a diverse range of expertise, opinions, and viewpoints on the issues central to regional planning. The committees for the funded projects ranged in size from 30 to 34 members, while the voluntary committee for the Dallas-Fort Worth area had 77 members. Each planning committee was divided into a number of subcommittees based upon project objectives. Project findings show that:

- *After an initial learning period, regional planning committee members were willing to take ownership of the planning process.*

- *Early involvement of committee members in subcommittee work that specifically addressed the major objectives of the project increased the level of member commitment.*

- *Business representatives on the committees were less satisfied than educators with the responsiveness of existing training programs to demand occupations and the adequacy of specific occupational training.*

- *Committee members generally expressed a high degree of confidence in the potential effectiveness of the regional planning approach. All components of the funded projects were rated as excellent or adequate by at least 84 percent of the committee members.*

- *Overall, 40 percent of the regional planning committee members in the funded projects considered themselves as*

very active *participants. Public sector representatives were considerably more active than were private sector representatives.*

Use of Labor Market Information in the Planning Process

Decision-makers must have current accurate labor market supply and demand data to develop realistic regional plans and make informed decisions regarding occupational education and training programs. Projects were instructed to use data from the statewide labor market information system provided by the State Occupational Information Coordinating Committee as a primary source of information, augmented by additional data sources as needed. The projects were also encouraged to utilize the labor market information planning methodology used by private industry councils in their regions. During the initial stages of the funded projects, regional planning committee members took only the first steps needed to match training supply with demand. The future project period should allow sufficient time for the remaining steps to be completed. Findings from the projects reveal that:

- *Available labor market data appear to be adequate for making some judgments regarding broad classes of program demand or oversupply.*

- *To facilitate communication among educators and employers, a common language focusing upon occupational skills requirements for jobs and occupational competencies found in training programs is needed.*

- *Statewide attention must be directed to further refinements and improvements in the quality of both labor market supply and demand data available for planning purposes, especially from rural areas and small businesses.*

- *A period of 12 to 18 months is necessary to develop and use labor market information for planning purposes.*

- *The State needs to develop appropriate standards for using labor market information to ensure that identified demand occupations are selected in a consistent manner from one region to another.*

Role of Economic Development in the Planning Process

The availability of an educated, trained workforce is a prerequisite for regional economic development. Regions of the state that are attempting to attract new industry and employment in growth sectors of the economy must be able to demonstrate that they can be responsive to industry's demand for trained and trainable workers who have the skills and abilities to perform the requirements of available or new jobs. The pilot projects were expected to identify regional economic development initiatives and to establish methods to support those initiatives through regional planning. The state agencies have evaluated plans submitted by the pilot projects and have determined that:

- *The projects can best support economic development in their regions by establishing regional economic development information clearinghouses to provide training supply information to economic development entities and training demand information to training entities.*

- *The projects can also support economic development in their regions by evaluating the occupational education and training needs of potential new industries and by informing training providers about expected occupational supply and demand stemming from economic development initiatives.*

Effectiveness of the Regional Planning Projects

These projects are pioneer efforts for Texas. Representatives from the private and public sectors within these regions have come together to plan occupational education and training programs, services, and activities. The funded projects have achieved four major goals to date.

- *Established new lines of communication between training entities within their regions.*

- *Developed comprehensive plans for occupational education and training activities within their regions.*

- *Obtained endorsements of their plans from training entities within their regions.*

- *Submitted planning proposals for new occupational education and training programs within their regions to the three state agencies.*

THE NEED FOR FUTURE ACTION

The Texas Education Agency, the Texas Higher Education Coordinating Board, and the Texas Department of Commerce recognize the need for future action to implement regional planning. The agencies are committed to meeting the future needs of students, business, and industry by basing occupational education and training programs upon current and projected job openings in the labor market. The State of Texas' ability to compete in an increasingly technological economy depends on our response to these needs. Regional planning is a viable, effective method to meet those needs.

Encouraged by the experiences of the pilot projects, the three state agencies in August 1988 issued another Request for Applications to expand regional planning to three additional regions of the State. The new projects will focus only on the essential prerequisites for successful regional planning. These projects began November 1, 1988 and will be conducted through June 30, 1989. Each of these new projects will receive $75,000 in federal funds to establish regional planning committees, examine the role of local program advisory committees, and use regional labor market information to identify priority occupations and related programs.

One of the newly funded projects will be conducted jointly by Dallas Community College and *Interlink*, which is currently operating a voluntary regional planning project. The planning region will include the nine counties of the Dallas-Fort Worth Consolidated Metropolitan Statistical Area. A second new project will be conducted by McLennan Community College in Waco for the six counties of the Heart of Texas Service Delivery Area. The third new project will be conducted by Amarillo College for the 25 counties of the Panhandle Service Delivery Area. See Appendix A for a map showing the location of these projects and Appendix B for a list of Project Directors.

The Master Plan calls for recommendations, based upon findings from the pilot projects, for revisions to statutes, rules, and public policies that would establish a three-tiered system of statewide, regional, and local planning. The State Board of Education has approved a recommendation to the 71st Texas Legislature to amend the Texas Education Code, §21.113, Master Plan for Vocational Education, to establish a state policy that public institutions and other entities responsible for vocational and adult training shall cooperate in implementing regional planning.

The Master Plan proposes future statewide implementation of regional planning. The purpose of the symposium "Developing a Skilled and Educated Workforce Through Regional Planning" is to provide a forum within which private and public sector representatives can discuss issues related to that implementation. Regional planning can be an effective strategy for developing an integrated training system that matches the skills demanded by business and industry with the knowledge and skills of individuals who are educated and trained at Texas' educational institutions.

Everyone charged with providing quality workers for the workplace ---business and industry leaders, elected officials, college presidents, postsecondary vocational and training deans and directors, school superintendents, secondary vocational administrators, and training professionals --- has a vital interest in linking occupational education and training with the future needs of business and industry. Our State's future economic development will depend upon establishing this vital linkage.

REFERENCES

Governor's Task Force on Vocational Education. Report and Recommendations of the Governor's Task Force on Vocational Education. Austin, Texas, 1988.

Copies of the report may be obtained from:

Governor's Office
State Capitol
P. O. Box 12428
Austin, Texas 78711
(512) 463-1828

Johnston, William B., and Arnold H. Packer. Workforce 2000: Work and Workers for the Twenty-first Century. Indianapolis, Indiana: Hudson Institute, 1987.

Copies may be obtained for $10.00 each from:

Hudson Institute
Publications
P. O. Box 26919
Indianapolis, Indiana 46226
(317) 545-1000

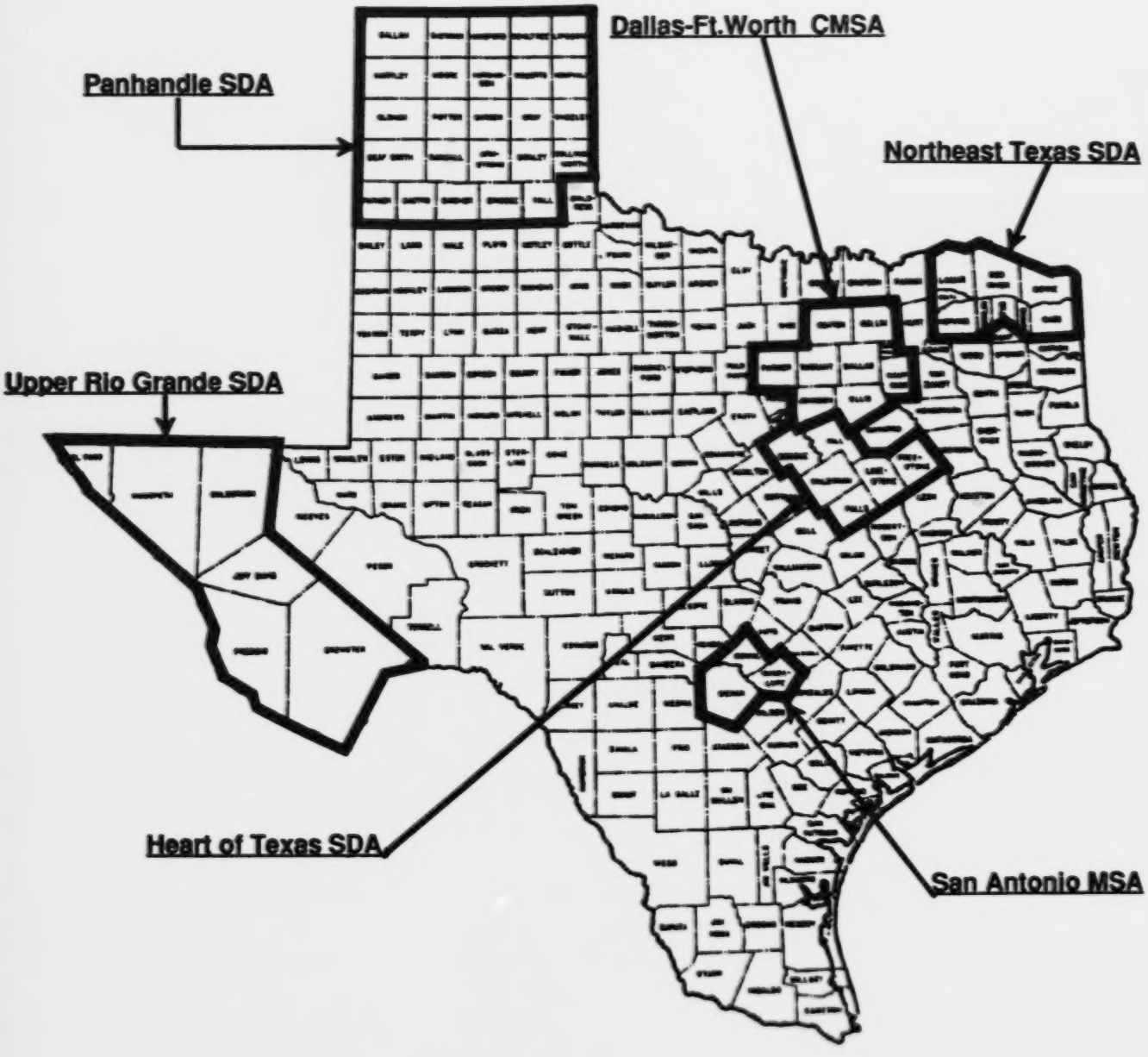
State Board of Education. Career Opportunities in Texas: A Master Plan for Vocational Education. Austin, Texas, 1987.

Copies may be obtained for $3.00 each from:

Texas Education Agency
Publications Division
William B. Travis Building, Room 2-116
1701 North Congress Avenue
Austin, Texas 78701
(512) 463-9744

APPENDIX A

Regional Planning Project Sites



APPENDIX B

Regional Planning Project Directors

Funded Projects: December 15, 1987 to June 30, 1989

Northeast Texas Region

Dr. Jack L. Foreman
Executive Dean for Instruction and Resource Development
Northeast Texas Community College
P. O. Box 1307
Mt. Pleasant, Texas 75455
(214) 572-1911

San Antonio Region

Dr. Ellen Snow
Coordinator Special Projects
Region XX Education Service Center
1314 Hines Avenue
San Antonio, Texas 78208
(512) 299-2400

Upper Rio Grande Region

Norman R. Haley
Executive Vice President
Upper Rio Grande Private Industry Council, Suite 130
1155 Westmoreland
El Paso, Texas 79925
(915) 772-5627

Funded Projects: November 1, 1988 to June 30, 1989

Dallas-Fort Worth Region

Mederick Rodgers

District Manager-Operator Services
Southwestern Bell Telephone Co.
One Bell Plaza, Room 3702
P. O. Box 655521
Dallas, Texas 75265-5521
(214) 464-6288

Heart of Texas Region

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Waco, Texas 76708
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Panhandle Region

Margaret Kelso

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